JPA FIRST SALE PROFIT PAYMENT RENT

Parcel M - Grand Avenue **Related California**

Excess Profits

Related/STRS Ohio

EXAMPLE CALCULATION FOR ILLUSTRATIVE PURPOSES ONLY

Exit Capitalization Rate 5.00% 5.00% 5.00% Gross Sale Proceeds \$245,880,187 \$341,149,525 \$470,110,297 Less: Closing Costs 2.00% 2.00% 2.00% Net Sale Proceeds \$240,962,583 \$334,326,535 \$460,708,091 Less: Senior Debt (95,430,217) (95,430,217) (95,430,217) Less: CRA/LA Loan Accrued Interest (2,296,325) (3,185,224) (4,074,124) Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 20% IRR Threshold Calculation 26 months 26 months 9 months Absorption Period 9 months 9 months 9 months Operating Period to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 20% IRR Threshold Balance at Disposition* \$119,223,727 \$20,666,562 \$432,660,811	Stabilized Year of Disposition	Year 10	Year 15	Year 20
Gross Sale Proceeds \$245,880,187 \$341,149,525 \$470,110,297 Less: Closing Costs 2.00% 2.00% 2.00% Net Sale Proceeds \$240,962,583 \$334,326,535 \$460,708,091 Less: Senior Debt (95,430,217) (95,430,217) (95,430,217) Less: CRA/LA Loan Accrued Interest (2,296,325) (3,185,224) (4,074,124) Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 20% IRR Threshold Calculation 26 months 26 months 9 months 26 months 9 months 20 months 180 months 240 months 220 months 220 months 221 months 275 months 225 months 225 months 225 months 225 months 225 months 225 months 220,430,217	Projected Net Operating Income	\$12,294,009	\$17,057,476	\$23,505,515
Less: Closing Costs 2.00% 2.00% Net Sale Proceeds \$240,962,583 \$334,326,535 \$460,708,091 Less: Senior Debt (95,430,217) (95,430,217) (95,430,217) Less: CRA/LA Loan Accrued Interest (2,296,325) (3,185,224) (4,074,124) Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 20% IRR Threshold Calculation 26 months 26 months 9 months 240 months 240 months 240 months 240 months 240 months 275 months 23 years 18 years 23 years 23 years 240,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217	Exit Capitalization Rate	5.00%	5.00%	5.00%
Sease Senior Debt Sease Sease	Gross Sale Proceeds	\$245,880,187	\$341,149,525	\$470,110,297
Less: Senior Debt (95,430,217) (95,430,217) (95,430,217) Less: CRA/LA Loan Accrued Interest (2,296,325) (3,185,224) (4,074,124) Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 20% IRR Threshold Calculation 26 months 26 months 26 months Absorption Period 9 months 9 months 9 months Operating Period to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0	Less: Closing Costs	2.00%	2.00%	2.00%
Less: CRA/LA Loan Accrued Interest (2,296,325) (3,185,224) (4,074,124) Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 20% IRR Threshold Calculation Construction Period 26 months 26 months 9 months 9 months 9 months 9 months 9 months 9 months 240 months Operating Period 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) <th< td=""><td>Net Sale Proceeds</td><td>\$240,962,583</td><td>\$334,326,535</td><td>\$460,708,091</td></th<>	Net Sale Proceeds	\$240,962,583	\$334,326,535	\$460,708,091
Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 20% IRR Threshold Calculation 26 months 26 months 26 months Construction Period 9 months 9 months 9 months Absorption Period 9 months 9 months 9 months Operating Period to Disposition 120 months 180 months 240 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811) <td>Less: Senior Debt</td> <td>(95,430,217)</td> <td>(95,430,217)</td> <td>(95,430,217)</td>	Less: Senior Debt	(95,430,217)	(95,430,217)	(95,430,217)
20% IRR Threshold Calculation Construction Period 26 months 26 months 26 months Absorption Period 9 months 9 months 9 months Operating Period to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Less: CRA/LA Loan Accrued Interest	(2,296,325)	(3,185,224)	(4,074,124)
Construction Period 26 months 26 months 26 months Absorption Period 9 months 9 months 9 months Operating Period to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,660,811 \$43,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 0 Less: Operating Deficit Loans 0 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Cash Flow from Disposition	\$143,236,041	\$235,711,093	\$361,203,749
Construction Period 26 months 26 months 26 months Absorption Period 9 months 9 months 9 months Operating Period to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,660,811 \$43,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 0 Less: Operating Deficit Loans 0 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)				
Absorption Period 9 months 9 months 9 months Operating Perid to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,430,217 \$20,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)				
Operating Perid to Disposition 120 months 180 months 240 months Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 20% IRR Threshold Balance at Disposition* \$119,223,727 \$220,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Construction Period	26 months	26 months	26 months
Total Holding Period 155 months 215 months 275 months Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 20% IRR Threshold Balance at Disposition* \$119,223,727 \$220,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Absorption Period	9 months	9 months	9 months
Total Holding Period 13 years 18 years 23 years Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 20% IRR Threshold Balance at Disposition* \$119,223,727 \$220,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Operating Perid to Disposition	120 months	180 months	240 months
Investor Equity at Close of Financing \$20,430,217 \$20,430,217 \$20,430,217 20% IRR Threshold Balance at Disposition* \$119,223,727 \$220,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Total Holding Period	155 months	215 months	275 months
20% IRR Threshold Balance at Disposition* \$119,223,727 \$220,666,562 \$432,660,811 First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Total Holding Period	13 years	18 years	23 years
First Sale Profit Payment Rent Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Investor Equity at Close of Financing	\$20,430,217	\$20,430,217	\$20,430,217
Cash Flow from Disposition \$143,236,041 \$235,711,093 \$361,203,749 Less: Deferred Developer Fee 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	20% IRR Threshold Balance at Disposition*	\$119,223,727	\$220,666,562	\$432,660,811
Less: Deferred Developer Fee 0 0 0 Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	First Sale Profit Payment Rent			
Less: Operating Deficit Loans 0 0 0 Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Cash Flow from Disposition	\$143,236,041	\$235,711,093	\$361,203,749
Less: 20% IRR Threshold Balance at Disposition* (119,223,727) (220,666,562) (432,660,811)	Less: Deferred Developer Fee	0	0	0
	Less: Operating Deficit Loans	0	0	0
Less: Return of Leasehold Acquisition Fee (5,220,000) (5,220,000) (5,220,000)	Less: 20% IRR Threshold Balance at Disposition*	(119,223,727)	(220,666,562)	(432,660,811)
	Less: Return of Leasehold Acquisition Fee	(5,220,000)	(5,220,000)	(5,220,000)

50.0%

50.0%

\$18,792,314

\$9,396,157

\$9,824,531

\$4,912,265

\$4,912,265

(\$76,677,062)

\$0

\$0

^{\$9,396,157} Joint Powers Authority * Considers cash flow received by Investor between Close of Financing and Disposition.